

Livingston Parish Assessor
Livingston, Louisiana

Annual Financial Statements

As of and for the Year Then Ended December 31, 2014
With Supplemental Information Schedules



BRUCE HARRELL & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Livingston Parish Assessor
Annual Financial Statements
As of and for the Year Ended December 31, 2014
With Supplemental Information Schedules

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Livingston Parish Assessor
Annual Financial Statements
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With Supplemental Information Schedules

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Independent Auditor's Report

To the Honorable Jeffrey G. Taylor, CLA
Livingston Parish Assessor
Livingston, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Livingston Parish Assessor, a component unit of the Livingston Parish Council, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

BRUCE HARRELL & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Accounting Corporation

To the Honorable Jeffrey G. Taylor, CLA
Livingston Parish Assessor
Livingston, Louisiana
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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Livingston Parish Assessor, as of December 31, 2014, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, including management's discussion and analysis, budgetary comparison information, and the schedule of funding progress on pages 8-12, 37, and 38, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Livingston Parish Assessor's basic financial statements. The accompanying schedule listed as Other Supplemental Information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying schedule listed as Other Supplemental Information in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedules listed as Other Supplemental Information in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

BRUCE HARRELL & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Accounting Corporation

To the Honorable Jeffrey G. Taylor, CLA
Livingston Parish Assessor
Livingston, Louisiana
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Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated June 25, 2015 on our consideration of the Livingston Parish Assessor's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Livingston Parish Assessor's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

Kentwood, Louisiana
June 25, 2015

Required Supplemental Information (Part I)

Management's Discussion and Analysis

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2014**

Introduction

The Livingston Parish Assessor, is pleased to present its Annual Financial Statements developed in compliance with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* (GASB 34), as amended. The amendment of GASB 34, including the adoption of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and applicable standards are more fully described in Footnote 1 – *Summary of Significant Accounting Policies*.

The Management's Discussion and Analysis (MD&A) for the Assessor, offers readers of the Assessor's financial statements this narrative overview and analysis of the financial activities of the Assessor for the fiscal year ended December 31, 2014. This MD&A is designed to provide an objective and easy to read analysis of the Assessor's financial activities based on currently known facts, decisions, or conditions.

The Assessor's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Livingston Parish Assessor's financial activity, (c) identify changes in the Assessor's financial position, (d) identify any significant variations from the Assessor's financial plan, and (e) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Assessor's financial statements, which follow this section.

Financial Highlights

- At December 31, 2014, the Assessor's government wide assets of \$5,117,382 exceeded its liabilities by \$1,276,492 (net position). Of this amount, \$722,755 was unrestricted and available to support short-term operations, with the balance of \$553,737 for net investment in capital assets.
- Ad valorem taxes, the main source of revenue for the assessor's office totaled \$3,956,885 on the fund basis for the current fiscal year, as compared to \$3,812,914 for the fiscal year ending December 31, 2013.
- Total expenses on the government-wide basis for the fiscal year ending December 31, 2014 were \$4,971,905 increasing by \$675,031 from \$4,296,874 for the prior fiscal year.
- At December 31, 2014, the general fund reported ending fund balance of \$4,323,037, and increase of \$104,327 for the year. Of this amount, \$3,956,477 is unassigned fund balance and the remaining \$366,560 is committed for contractual obligations.

Overview of the Annual Financial Report

The financial statement focus is on both the Livingston Parish Assessor as a whole and on the major individual funds. Both perspectives, government-wide and major funds, allow the user to address relevant questions, broaden a basis for comparison, and enhance the Assessor's accountability. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The MD&A is intended to serve as an introduction to the Assessor's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2014**

financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Livingston Parish Assessor's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on the Assessor's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases or decreases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Assessor is improving or deteriorating.

The Statement of Activities presents information showing how the Assessor's net position changed during the most recent fiscal year, focusing on both the gross and net costs of various activities that are supported by the Assessor's general tax and other revenues. This is intended to summarize and simplify the reader's analysis of the cost of various governmental services.

In both of the government-wide financial statements, the Assessor's activities are a single type:

Governmental activities - All of the Assessor's basic services are reported here and are financed primarily by ad valorem tax revenue.

The government-wide financial statements include only the Livingston Parish Assessor (a component unit of the Livingston Parish Council) and can be found on pages 14 and 15.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Assessor, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Assessor uses one category of funds to account for financial transactions: governmental funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

Governmental funds are used to account for all of the Assessor's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Assessor's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Assessor's programs. The fund financial statements begin on page 17 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Assessor's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2014**

between governmental funds and governmental activities. The reconciliations can be found on pages 18 and 20.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 22.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following table provides a summary of the Assessor's net position for the current year as compared to the prior year.

**Condensed Statements of Net Position
2014 and 2013**

	Governmental Activities	
	2014	2013
Assets:		
Current and Other Assets	\$ 4,563,645	\$ 4,329,694
Capital Assets	553,737	614,411
Total Assets	5,117,382	4,944,105
Liabilities:		
Long-Term Obligations	3,629,081	2,791,511
Other Liabilities	211,809	75,772
Total Liabilities	3,840,890	2,867,283
Net Position:		
Net Investment in Capital Assets	553,737	614,411
Unrestricted	722,755	1,462,411
Total Net Position	\$ 1,276,492	\$ 2,076,822

The major components of change for "Current Assets" are a \$450,990 increase in cash and equivalents, and a \$122,432 increase in investments. Receivables decreased \$333,058.

"Capital Assets" decreased by \$60,674, reflecting the depreciation expense recorded for the fiscal year ending December 31, 2014 of \$135,079 and \$82,962 of capital asset additions.

"Liabilities" increased by \$973,607 due to the increase in unfunded net other post-employment benefit obligations of \$835,500. Accounts payable also increased \$98,171.

"Total Net Position" (total assets less total liabilities) decreased by \$800,330 for the fiscal year ending December 31, 2014.

In order to further understand what makes up the changes in net position, the table following provides a summary of the results of the Assessor's activities for the current year as compared to the prior year.

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2014**

**Condensed Statement of Activities
For the years ended December 31, 2014 and 2013**

	Governmental Activities	
	2014	2013
Revenues:		
Program Revenues:		
Charges for Services	\$ 12,331	\$ 14,366
General Revenues:		
Ad Valorem Taxes	3,955,211	3,823,645
Revenue Sharing	120,743	121,452
Interest Income	27,935	5,356
Other Intergovernmental Revenue	26,831	25,252
Other Revenue	9,036	(14,578)
Gain on Sale of Assets	19,488	(115)
Total Revenues	<u>4,171,575</u>	<u>3,975,378</u>
Expenses:		
General Government	4,971,905	4,296,874
Total Expenses	<u>4,971,905</u>	<u>4,296,874</u>
Change in Net Position Before Transfers	<u>(800,330)</u>	<u>(321,496)</u>
Change in Net Position	<u>(800,330)</u>	<u>(321,496)</u>
Net Position, Beginning	2,076,822	2,398,318
Net Position, Ending	<u>\$ 1,276,492</u>	<u>\$ 2,076,822</u>

The Assessor's governmental net position decreased by \$800,330 as compared to a prior fiscal year net position decrease of \$321,496. The Assessor's total revenue increased by \$196,197 due to an increase in ad valorem tax revenue of \$131,566, an increase in other revenue of \$23,614, and an increase in interest income of \$22,579. Total expenses on the government-wide basis for the fiscal year ending December 31, 2014 increased by \$675,031 primarily due to an increase in other post-employment benefits expense of \$288,656, an increase of \$85,130 in professional fees, an increase of \$80,781 in employee benefits, an increase of \$69,361 in other operating expenses, and an increase of \$36,782 in supplies.

Fund Financial Analysis

As noted earlier, the Assessor uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Assessor has only one fund type – governmental funds.

Governmental Funds

The focus of the Assessor's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Assessor's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Assessor's net resources available for spending at the end of the year.

At the end of the current year, the Assessor's one governmental fund, the general fund, reported ending fund balance of \$4,323,037, an increase of \$104,327 from the prior year. Fund balance was as follows: committed for contractual obligations \$366,560, and unassigned \$3,956,477.

**Livingston Parish Assessor
Management's Discussion and Analysis (Unaudited)
As of and for the Year Ended December 31, 2014**

Governmental Fund Budgetary Highlights

The Assessor demonstrated legal compliance by adopting and amending its budget in accordance with provisions of the Local Government Budget Act. As required by state law, actual revenues and other sources were within 5% of budgeted revenues and other sources, and actual expenditures and other uses were within 5% of budgeted expenditures and other uses.

Capital Assets

At December 31, 2014, the Assessor's net investment in capital assets for its governmental activities amounts to \$553,737.

The following table provides a summary of the Assessor's capital assets (net of depreciation) at the end of the current year as compared to the prior year. For more detailed information, see Note 7 to the financial statements in this report.

**Capital Assets (Net of Depreciation)
2014 and 2013**

Capital Assets	Governmental Activities	
	2014	2013
Buildings and Improvements	\$ 480,352	\$ 480,352
Equipment and Furniture	64,108	64,108
Vehicles	239,152	224,835
Computers	339,330	341,976
Subtotal Capital Assets	1,122,942	1,111,271
Less: Accumulated Depreciation	(569,205)	(496,860)
Capital Assets, Net	\$ 553,737	\$ 614,411

Capital additions included new vehicles totaling \$82,962 for the current fiscal year. The Assessor removed items sold and deemed totaled by the insurance company from the depreciation schedule during the year. The total costs of these items were \$71,291, with accumulated depreciation of \$62,734. Additional information on the Livingston Parish Assessor's capital assets can be found in Note 7.

Other Factors Affecting the Assessor

The Livingston Parish Assessor's management approach is conservative. This is reflected in conformance to enacted budgets and in the efforts of the Assessor to control the level of expenditures.

Contacting the Assessor's Financial Management

This financial report is designed to provide Livingston Parish citizens, taxpayers, customers, and creditors with a general overview of the Assessor's finances and show the Assessor's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Livingston Parish Assessor at Post Office Box 307; Livingston, Louisiana 70754, Phone (225) 222-4131.

Basic Financial Statements

Government-Wide Financial Statements

Statement A**Livingston Parish Assessor
Statement of Net Position
As of December 31, 2014**

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 591,332
Investments	406,135
Receivables, Net:	3,537,379
Prepaid Insurance	28,799
Total Current Assets	<u>4,563,645</u>
Capital Assets:	
Capital Assets, Net	<u>553,737</u>
Total Capital Assets	<u>553,737</u>
Total Assets	<u>5,117,382</u>
Liabilities	
Current Liabilities:	
Accounts Payable	173,843
Other Accrued Payables	37,966
Total Current Liabilities	<u>211,809</u>
Long Term Liabilities:	
Other Post-Employment Benefits Obligation	3,608,209
Compensated Absences Payable	20,872
Total Long Term Liabilities	<u>3,629,081</u>
Total Liabilities	<u>3,840,890</u>
Net Position	
Net Investment in Capital Assets	553,737
Unrestricted	722,755
Total Net Position	<u>\$ 1,276,492</u>

The accompanying notes are an integral part of this statement.

Statement B

**Livingston Parish Assessor
Statement of Activities
For the year ended December 31, 2014**

		<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Net (Expenses) Revenues</u>	<u>Governmental Activities</u>
Governmental Activities				
General Government	\$ 4,971,905	\$ 12,331	\$ (4,959,574)	\$ (4,959,574)
Total Governmental Activities	<u>4,971,905</u>	<u>12,331</u>	<u>(4,959,574)</u>	<u>(4,959,574)</u>
General Revenues:				
Ad Valorem Tax				3,955,211
Revenue Sharing				120,743
Interest Income				27,935
Other Intergovernmental Revenue				26,831
Other Revenue				9,036
Gain on Sale of Assets				19,488
Total General Revenues and Transfers				<u>4,159,244</u>
Change in Net Position				<u>(800,330)</u>
Net Position - Beginning				<u>2,076,822</u>
Net Position - Ending				<u>\$ 1,276,492</u>

The accompanying notes are an integral part of this statement.

Basic Financial Statements

Fund Financial Statements

Statement C

**Livingston Parish Assessor
Governmental Fund Balance Sheet
As of December 31, 2014**

	<u>General Fund</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 591,332
Investments	406,135
Receivables, Net:	
Ad Valorem Tax	3,472,175
Due From Other Governments	63,255
Other Receivables	1,949
Total Assets	\$ <u>4,534,846</u>
Liabilities and Fund Balances	
Liabilities:	
Current Liabilities:	
Accounts Payable	\$ 173,843
Other Accrued Payables	37,966
Total Liabilities	<u>211,809</u>
Fund Balances:	
Committed for Contractual Obligations	366,560
Unassigned	3,956,477
Total Fund Balances	<u>4,323,037</u>
Total Liabilities and Fund Balances	\$ <u>4,534,846</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Assessor
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
As of December 31, 2014

Total Fund Balance, Governmental Funds (Statement C)	\$ 4,323,037
Amounts reported for Governmental Activities in the Statement of Net Position are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental Capital Assets, Net of Accumulated Depreciation	553,737
Prepaid Expenses not recorded in the fund basis financial statements.	28,799
Long-term liabilities for sick leave paid at termination and the unfunded post-employment health insurance liability is not due and payable in the current period and, therefore, not reported in the governmental funds.	
Accrued Sick Leave Payable	(20,872)
Unfunded Net Other Post-Employment Benefits Obligation	(3,608,209)
Net Position of Governmental Activities (Statement A)	\$ <u>1,276,492</u>

The accompanying notes are an integral part of this statement.

Statement E

Livingston Parish Assessor
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2014

	<u>General Fund</u>
Revenues	
Ad Valorem Taxes	\$ 3,956,885
Intergovernmental	
State Revenue Sharing	120,743
Fees Charged to Other Governments	26,831
Charges for Services	12,331
Interest	26,261
Other	33,491
Total Revenues	<u>4,176,542</u>
Expenditures	
Salaries	1,836,817
Benefits	934,910
Payroll Taxes	42,402
Insurance	33,278
Other operating	147,273
Professional Fees	682,201
Repairs and Maintenance	21,657
Supplies	164,568
Tax Collector Expense	36,409
Travel and Training	62,390
Utilities	30,938
Capital Outlays	82,962
Total Expenditures	<u>4,075,805</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>100,737</u>
Other Financing Sources (Uses)	
Sale of Fixed Assets	3,590
Total Other Financing Sources (Uses)	<u>3,590</u>
Net Change in Fund Balances	<u>104,327</u>
Fund Balance, Beginning	4,218,710
Fund Balance, Ending	<u>\$ 4,323,037</u>

The accompanying notes are an integral part of this statement.

Livingston Parish Assessor
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2014

Total Net Change in Fund Balances, Total Governmental Funds (Statement E)	\$ 104,327
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditures for capital assets	\$	82,962	
Less:			
Sale of assets (cost basis)		(71,291)	
Decrease in accumulated depreciation		62,734	
Current year depreciation		<u>(135,079)</u>	(60,674)

Insurance expense reported in the statement of activities does not require the use of current financial resources and is therefore not reported as expenditures in governmental funds.	(6,413)
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Compensated Absences payable after one year are not recorded as an expenditure in the governmental funds, but they are recorded as an expenditure in the statement of activities. (This entry records the change in compensated absences.)	(2,070)
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Increases in unfunded post-employment benefit obligations for medical insurance expected in future periods are not recorded for governmental funds on the fund basis.	<u>(835,500)</u>
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Change in Net Position of Governmental Activities, Statement B	\$ <u>(800,330)</u>
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The accompanying notes are an integral part of this statement.

Basic Financial Statements

Notes to the Financial Statements

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2014

Introduction

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Livingston Parish Assessor (Assessor) is elected by the voters of the parish and serves a four-year term. The Assessor assesses all real and movable property in the parish, subject to ad valorem taxation. The Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and provides assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the Assessor is officially and pecuniary responsible for the actions of the deputies.

The Assessor's office is located in Livingston, Louisiana. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The Assessor completes an assessment listing by May 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the Assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

At December 31, 2014, there are 60,337 real property and movable property assessments totaling \$701,159,290. This represents an increase of 536 assessments totaling \$123,828,860 over the prior year, caused primarily by the increasing number of new businesses and residential growth in the parish during the year.

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Livingston Parish Assessor is considered a component unit of the Livingston Parish Council. As a component unit, the accompanying financial statements are to be included within the reporting of the primary government, either blended within those financial statements or separately reported as a discrete component unit. Under provisions of this statement, there are no component units of the Assessor. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the Council or the general government services provided by that governmental unit.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all nonfiduciary activities of the Assessor. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, a primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Assessor does not have any business-type activities and reports only governmental activities. The Assessor has only one fund and as such, there is no interfund activity. The Assessor has no component units.

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, as amended by GASB Statements described in the following paragraphs. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net assets (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of

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these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Assessor has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* that require capital contributions to the Assessor to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote I – Net Position and Fund Balance*. As required by the GASB, the Assessor implemented GASB Statement No. 63 during the year ending December 31, 2012. The Assessor did not have any deferred outflows or deferred inflows of resources at December 31, 2014.

During the year ended December 31, 2012, the Assessor also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Assessor did not have any deferred outflows or deferred inflows of resources at December 31, 2014.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements. The Assessor reports only one fund: a governmental fund – the general fund.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if they are measurable and available. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

The Assessor reports the following major governmental funds:

The *General Fund* is the Assessor's primary operating fund. It accounts for and reports all financial resources of the general government, except those required to be accounted for in another fund (none in the current year).

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) program-specific operating grants and contributions; and, 3) program-specific capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Assessor's policy to use restricted resources first, then unrestricted resources as they are needed.

When restricted, committed, assigned, or unassigned fund balances are available for use, the Assessor considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

C. Cash Equivalents and Investments

The Assessor's cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law limits the Assessor to deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

In accordance with state law, the Assessor limits its investments to those allowed under R.S. 33:2955. Certificates of deposit are classified as investments if their original maturities exceed 90 days. Investments are reported at fair market value.

D. Receivables and Payables

All property tax receivables are shown net of an allowance for uncollectible amounts.

Livingston Parish Assessor
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E. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out method. Inventories of the governmental funds are recorded as expenditures when consumed rather than when purchased. The Assessor did not have any inventory at December 31, 2014. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

F. Inventories

Certain proceeds of specific revenue sources that are legally restricted to expenditures for a specified purpose are classified as restricted assets because their use is limited to specific expenditures.

G. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental activities columns in the government-wide financial statement. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$1,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings & Improvements	10 - 40 Years
Equipment & Furniture	3 - 25 Years
Computers	5 Years
Vehicles	5 Years

H. Compensated Absences

Assessor employees earn vacation leave of 2 weeks per year for the first and second year of employment, 3 weeks per year for the third through the sixth year of employment, 4 weeks per year for the seventh through the fifteenth year of employment, 5 weeks per year for the sixteenth through the twenty-fourth year of employment, and 6 weeks per year for the twenty-fifth and greater years of employment. No vacation leave can be carried forward.

Additionally, employees may earn paid comp time in exchange for overtime hours worked. Comp time is approved in advance by the Assessor prior to being earned by the employee. Employees may carry a maximum of 80 hours of comp time over from year to year. Any hours earned in excess of 80 hours are paid out at the next payroll date. Employees are entitled to any earned comp time up to 80 hours at the time of termination of employment.

A liability for unused vacation is accrued comp time on the government-wide level.

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I. Net Position and Fund Balance

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 for the government-wide financial statements requires the following components of net position:

- **Net Investment in Capital Assets** - The *net investment in capital assets* component of net position includes capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Net Position** - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- **Unrestricted Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The Assessor adopted GASB 54 for the year ended December 31, 2011. As such, fund balances of governmental funds are classified as follows:

- **Nonspendable.** These are amounts that can not be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal action of the Assessor. To be reported as committed amounts, they cannot be used for any other purposes unless the Assessor removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Assessor.

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- **Unassigned.** These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed or assigned for those purposes.

J. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Assessor, which are either unusual in nature or infrequent in occurrence.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

M. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balance and the government-wide statement of activities is presented in Statement F of the basic financial statements.

2. Stewardship, Compliance and Accountability

Budget Information

The Assessor uses the following budget practices:

1. The Assessor prepares a General Fund budget, on the modified accrual basis of accounting, at the beginning of each year based upon prior year expenditures and anticipated revenues for the budget year.
2. The proposed budget is made available for public inspection no later than 15 days prior to the beginning of the year. A public hearing on the budget is advertised in the Livingston Parish News.
3. All annual appropriations lapse at fiscal year end.
4. Budget amounts included in the accompanying financial statements include the original adopted budgets.
5. Formal budgetary integration (with the accounting system) is employed as a management control device. During the fiscal year, actual revenues and expenditures are compared to budgeted revenues and expenditures by the Assessor. If actual revenues are falling short of budgeted revenues by 5% or more, or if actual expenditures to date plus projected expenditures for the

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remainder of the year exceed the budgeted expenditures by 5% or more, the original budget is amended by the Assessor.

There were no material variances in actual revenues and other sources under budgeted revenues and other sources or actual expenditures and other sources over budgeted amounts for the year ended December 31, 2014 that would have resulted in a violation of the Local Government Budget Act.

3. Cash and Cash Equivalents

At December 31, 2014, the Assessor has cash and cash equivalents (book balances) as follows:

	December 31, 2014
Cash on Hand	\$ 500
Demand Deposits	590,832
Total	<u>\$ 591,332</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. At December 31, 2014, the Assessor has \$1,088,655 in deposits (collected bank balances), consisting of \$675,853 in demand deposits, \$106,527 in government bond deposits held as investments (See Note 4), and \$306,275 in certificates of deposit held as investments (See Note 4). The government bond deposits and \$100,000 of the certificates of deposit are secured from risk by \$250,000 of federal deposit insurance. The demand deposits and the additional \$206,275 are secured from risk by \$250,000 of federal deposit insurance and the remaining \$632,128 is secured by pledged securities. The \$632,128 is exposed to custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities, if applicable, are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand.

4. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Assessor or its agent in the Assessor's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Assessor's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Assessor's name

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The Assessor held two certificates of deposit that qualified as an investment, at December 31, 2014, with a market value of \$306,275. The certificates of deposit bear interest rates ranging from 0.05% to 0.15% and mature on or before August 25, 2015. The certificates of deposit are not included in cash equivalents at December 31, 2014 because their original maturity date is greater than 90 days. Any penalty for early withdrawal would not have a material effect on the financial statements. The Assessor also had government bonds in the amount of 106,527. These State of Louisiana Obligations have an amortized cost of \$102,384 with a market value of \$99,860, with an unrealized loss of \$2,524 and are scheduled to mature in July 2042.

All investments held by the Assessor fall into category 1 credit risk, as defined above. In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments, when held, are carried at fair market value, with the estimated fair market value based on quoted market prices.

Interest Rate Risk: The Assessor does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value arising from increasing interest rates.

5. Levied Taxes

Louisiana Revised Statute 47:1925.2 created a special assessment district to provide ad valorem taxes revenue to fund the operations of the Assessor.

Ad valorem taxes are levied in September or October and are billed by the Livingston Parish Sheriff and are due on November 15, the levy date, and they become delinquent on the following January 1. The taxes are generally collected in December of the current year and January through March of the following year. Ad valorem taxes attach as an enforceable lien on property as of January 1 of the following year.

The Livingston Parish Assessor is authorized to levy up to 8.52 mills in ad valorem taxes. A 8.52 mill ad valorem tax was levied for the year ended December 31, 2014. The total assessed valuation for all taxpayers at December 31, 2014 was \$701,159,290. There were no individual taxpayers whose assessed tax was greater than 5% of the total taxes assessed.

6. Receivables

The Governmental Fund receivables at December 31, 2014 consist of the following:

Government Receivables

Ad Valorem Taxes	\$ 3,472,175
Revenue Sharing	40,599
Due from Other Governments	22,656
Other Receivables	<u>1,949</u>
Total Government Receivables	\$ <u>3,537,379</u>

Uncollectible amounts due for Ad Valorem taxes are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The estimated uncollectible amount at December 31, 2014 for Ad Valorem taxes is \$161,105.

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7. Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2014 for governmental activities is as follows:

Governmental Activities Capital Assets:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 480,352	\$ -	\$ -	\$ 480,352
Vehicles	224,835	82,962	(68,645)	239,152
Machinery and Equipment	64,108	-	-	64,108
Computers	341,976	-	(2,646)	339,330
Total Capital Assets Being Depreciated	<u>1,111,271</u>	<u>82,962</u>	<u>(71,291)</u>	<u>1,122,942</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	86,058	22,185	-	108,243
Vehicles	148,382	40,599	(60,485)	128,496
Machinery and Equipment	54,031	4,429	-	58,460
Computers	208,389	67,866	(2,249)	274,006
Total Accumulated Depreciation	<u>496,860</u>	<u>135,079</u>	<u>(62,734)</u>	<u>569,205</u>
Total Capital Assets Being Depreciated, Net	<u>614,411</u>	<u>(52,117)</u>	<u>(8,557)</u>	<u>553,737</u>
Total Governmental Activities Capital Assets, Net	\$ <u>614,411</u>	\$ <u>(52,117)</u>	\$ <u>(8,557)</u>	\$ <u>553,737</u>
Depreciation was charged to governmental functions as follows:				
General Government				\$ <u>135,079</u>
				<u>\$ 135,079</u>

8. Retirement Systems

Plan Description. Substantially all employees of the Livingston Parish Assessor's office are members of the Louisiana Assessors' Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3.33% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318) 425-4446.

Funding Policy. Plan members are required by state statute to contribute 8.0% of their annual covered salary and the Livingston Parish Assessor is required to contribute at an actuarially determined rate. The

Livingston Parish Assessor
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current rate is 13.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% (1% for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the Parish Assessor are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Livingston Parish Assessor's contributions to the System for the years ending December 31, 2014 and 2013, were \$343,826, and \$318,372, respectively, equal to the required contributions for each year.

9. Other Post-Employment Benefits

Effective with the year beginning January 1, 2009, the Livingston Parish Assessor implemented GASB Statement No. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other than Pension Benefits*. The Assessor established and amends the funding policy. The statement has been implemented prospectively. Using this method, the beginning OPEB liability is set at zero and the actuarially determined OPEB liability relative to past service (prior to January 1, 2009) will be amortized and recognized as an expense over thirty years.

Plan Description. The Livingston Parish Assessor contributes to a single-employer defined benefit healthcare plan ("Plan"). The Plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Livingston Parish Assessor's group health insurance plan, which covers both active and retired members. Eligible members are those employees who work at least 35 hours a week for the Livingston Parish Assessor, who have completed a waiting period of thirty consecutive days while employed, and who are eligible for the Livingston Parish Assessor's retirement plan. Eligible members are also retired employees who are at least 55 years of age (or have at least 30 years of service regardless of age); who have at least 12 years of service with the Livingston Parish Assessor; and who were covered under the Plan for a minimum of thirty consecutive days immediately preceding retirement. Benefit provisions are established by the Livingston Parish Assessor. The Plan does not issue a publicly available financial report.

Contribution Rates. Employees and spouses are not required to contribute to their post employment benefits costs.

Funding Policy. Until 2009, the Assessor recognized the cost of providing post-employment medical, dental and life benefits (the Assessor's portion of the retiree medical dental and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. The Livingston Parish Assessor contributes 100 percent of the medical, dental, and life insurance premiums for eligible retired members and their surviving spouses. For the year ended December 31, 2014, the Assessor contributed \$24,723 to the Plan.

Livingston Parish Assessor
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Annual OPEB Cost and Net OPEB Obligation. The Livingston Parish Assessor's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any Unfunded Actuarial Accrued Liability (UAAL) over a period not to exceed thirty years. The total ARC for the fiscal year beginning January 1, 2014 is set forth below:

Normal Cost	\$ 575,998
Thirty year UAL (Unfunded Liability) amortization amount	<u>350,803</u>
Annual required contributions (ARC)	<u><u>\$ 926,801</u></u>

The following table presents the Livingston Parish Assessor's Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending December 31, 2014:

Net OPEB Obligation - Beginning of Year	\$ <u>2,772,709</u>
Annual required contributions (ARC)	926,801
Interest on Net OPEB Obligation (Asset)	110,908
ARC Adjustment	<u>(177,486)</u>
Annual OPEB Cost	860,223
Contributions Made	<u>(24,723)</u>
Increase in Net OPEB Obligation	<u><u>835,500</u></u>
Net OPEB Obligation - End of Year	\$ <u><u>3,608,209</u></u>

The following table shows Livingston Parish Assessor's annual post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (OPEB) liability (asset):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
12/31/2012	\$ 576,260	2.61%	\$ 2,225,865
12/31/2013	\$ 563,487	2.95%	\$ 2,772,709
12/31/2014	\$ 835,500	2.96%	\$ 3,608,209

Funded Status and Funding Progress. During the year ended December 31, 2014, the Livingston Parish Assessor did not establish or contribute to a postemployment benefits plan trust. Since there is no trust, the Livingston Parish Assessor's entire actuarial accrued liability of \$5,480,286 was unfunded.

Livingston Parish Assessor
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The funded status of the Plan, as determined by an actuary, as of January 1, 2014, was as follows:

	<u>Medical</u>	<u>Life</u>	<u>Dental</u>	<u>Total</u>
All Employees Active and Retirees				
Actuarial Accrued Liability (AAL)	\$ 4,933,238	\$ 397,335	\$ 149,713	\$ 5,480,286
Actuarial Value of Plan Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded Act. Accrued Liability (UAAL)	\$ 4,933,238	\$ 397,335	\$ 149,713	\$ 5,480,286
Funded Ratio (Act. Val. Assets / AAL)				0%
Covered Payroll (active plan members)				\$ 1,829,018
UAAL as a percentage of covered payroll				300%
Retirees (included in the amounts listed above)				
Actuarial Accrued Liability (AAL)	\$ 274,178	\$ 123,384	\$ 23,432	\$ 420,994

Methods and Assumptions. The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) at the time of the valuation and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the unit credit cost method was used. Since the Plan is unfunded, a discount rate of 4% was used. If the Plan were to fund, the discount rate would likely be higher and based upon the investments of the trust. In addition, the actuarial assumptions included an annual healthcare cost trend rate for medical costs of 6.5% initially, reduced by decrements to an ultimate rate of 4.8% after 68 years. The actuarial assumptions included an annual healthcare cost trend rate for dental costs of 5.9% initially, reduced by decrements to an ultimate rate of 3.91% after 14 years. The Clerk's unfunded actuarial liability is being amortized as a level dollar, open basis over 30 years.

Additional assumptions used in the valuation included the following: The mortality rate was based on the RP-2000 Combined Healthy Mortality Table, projected to 2015 using Scale AA. Actual premiums were used for medical and dental claims costs; they were derived from the 2014 premiums. Retirement rates were based on the CCRRF pension plan valuation. Current retirees were assumed to continue with their current benefits. 90% of the future eligible retirees were assumed to choose to continue their current medical, dental, and vision benefits at retirement. 100% of future eligible retirees were assumed to continue their dental coverage upon retirement. 50% of active participants making it to retirement are assumed to be married and elect spouse coverage. For actives participants, it is assumed that husbands are three years older than their wives. It is assumed that all participants and spouses are eligible for Medicare upon reaching age 65.

Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2014

There are no plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

10. Accounts and accrued Payables

	December 31, 2014
Governmental Funds Payable	
Accounts	\$ 173,843
Other	
Pension Fund Deduction Payable	36,409
Payroll Liabilities Payable	<u>1,557</u>
Total Government Funds Payable	\$ <u><u>211,809</u></u>

11. Long Term Liabilities

The Assessor did not have any long-term obligations at December 31, 2014, except for the unfunded OPEB obligation as described in Note 9 and the compensated absences payable of \$20,872.

12. Expenditures of the Assessor not included in the Financial Statements

Certain operating expenditures of the Livingston Parish Assessor are provided by the Livingston Parish Council and are not included in the accompanying financial statements. For the fiscal year ended December 31, 2014, the Parish Council provided utilities and insurance coverage for office space for the Livingston Parish Assessor.

13. Risk Management

The Assessor is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Assessor purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Assessor's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

14. Contingent Liabilities

The Livingston Parish Assessor is not involved in any outstanding litigation or claims requiring accrual or disclosure.

**Livingston Parish Assessor
Notes to the Financial Statements
As of and for the Year Ended December 31, 2014**

15. Contract Commitments

In 2011, the Assessor entered into a contractual commitment with Geographic Computer Technologies, LLC to develop and install a web-based user interface for the Assessor's Geographic Information System and related services. In 2013, the Assessor entered into a professional services contract for the installation of appraisal services software, processes and training of personnel with Tyler Technologies, Inc. The schedule to compensate the consultant for the work is as follows:

	Contracted Amount	Expended through 12/31/14	Remaining Contract
GCT, LLC Contract	\$ 1,265,000	\$ 1,218,440	\$ 46,560
Tyler Technologies, Inc	490,000	170,000	320,000
Total	<u>\$ 1,755,000</u>	<u>\$ 1,388,440</u>	<u>\$ 366,560</u>

During 2014, the Assessor made a total of \$540,375 in payments for a total paid of 79% of the total contract. This leaves \$336,560 to be paid on the contracts.

16. Subsequent Events

Subsequent events have been evaluated by management through June 25, 2015, the date the financial statements were available for issuance. No events were noted that require recording or disclosure in the financial statements for the year ending December 31, 2014.

Required Supplemental Information (Part II)

Schedule 1

Livingston Parish Assessor
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual
General Fund

For the year ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Revenues				
Ad Valorem Taxes	\$ 3,440,367	\$ 4,000,000	\$ 3,956,885	\$ (43,115)
Intergovernmental				-
State Revenue Sharing	105,000	175,000	120,743	(54,257)
Fees Charged to Other Governments	-	-	26,831	26,831
Charges for Services	-	-	12,331	12,331
Interest	-	-	26,261	26,261
Other	18,000	38,600	33,491	(5,109)
Total Revenues	<u>3,563,367</u>	<u>4,213,600</u>	<u>4,176,542</u>	<u>(37,058)</u>
Expenditures				
Salaries	1,700,000	1,900,000	1,836,817	63,183
Benefits	950,000	1,000,000	934,910	65,090
Payroll Taxes	-	-	42,402	(42,402)
Insurance	-	-	33,278	(33,278)
Other operating	26,100	26,100	147,273	(121,173)
Professional Fees	141,967	675,000	682,201	(7,201)
Repairs and Maintenance	247,200	340,000	21,657	318,343
Supplies	83,600	108,000	164,568	(56,568)
Tax Collector Expense	-	-	36,409	(36,409)
Travel and Training	64,500	64,500	62,390	2,110
Utilities	-	-	30,938	(30,938)
Capital Outlays	350,000	100,000	82,962	17,038
Total Expenditures	<u>3,563,367</u>	<u>4,213,600</u>	<u>4,075,805</u>	<u>137,795</u>
Excess Revenues (Expenditures)	<u>-</u>	<u>-</u>	<u>100,737</u>	<u>100,737</u>
Other Financing Sources (Uses)				
Sale of Fixed Assets	-	-	3,590	3,590
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,590</u>	<u>3,590</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>104,327</u>	<u>104,327</u>
Fund Balances, Beginning	<u>-</u>	<u>4,218,710</u>	<u>4,218,710</u>	<u>-</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ 4,218,710</u>	<u>\$ 4,323,037</u>	<u>\$ 104,327</u>

See independent auditor's report.

Livingston Parish Assessor
Schedule of Funding Progress for the Retiree Benefits Plans
For the year ended December 31, 2014

	(1)	(2)	(2-1)	(1/2)	(3)	((2-1)/(3))
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2012	\$ -	\$ 3,019,228	\$ 3,019,228	0%	\$ 1,559,925	194%
January 1, 2013	\$ -	\$ 3,019,228	\$ 3,019,228	0%	\$ 1,705,103	177%
January 1, 2014	\$ -	\$ 5,480,286	\$ 5,480,286	0%	\$ 1,829,018	300%

See independent auditor's report.

Other Supplemental Information

Schedule 3

Livingston Parish Assessor
Schedule of Compensation, Benefits, and Other Payments to the Agency Head
For the year ended December 31, 2014

Agency Head: Jeff Taylor, Assessor

Purpose	Amount
Salary	\$ 146,769
Benefits - Insurance	19,376
Benefits - Retirement	31,555
Employer Paid Payroll Taxes	2,295
Travel - Per Diem	1,750
Travel - Lodging	2,477
Travel - Airfare	643
Conference Registration Fees	1,805
Reimbursements for Fuel	232
Total	\$ <u>206,902</u>

See independent auditor's report.

**Livingston Parish Assessor
Summary Schedule of Findings and Questioned Costs
For the year ended December 31, 2014**

Part I: Summary of Auditor's Findings*Financial Statements*

Type of Auditor's Report Issued: Unmodified.

Internal Control Over Financial Reporting:

Material Weakness(es) Identified:	No
Significant Deficiency(ies) that are not considered to be	
Material Weaknesses:	No
Noncompliance Material to the Financial Statements:	No

Federal Awards

There were no Major Programs for the Assessor for the fiscal year ended December 31, 2014.

**Part II: Findings which are required to be reported in accordance with generally accepted
Governmental Auditing Standards:**

A. Compliance Findings -

None

B. Internal Control Findings -

None

**Part III: Findings and Questioned Costs for Federal Awards which include audit findings as defined in
Section 510(a) of Circular A-133:**

N/A

Part IV: Management Letter Items:

There were no management findings for the Assessor for the fiscal year ending December 31, 2014.

**Livingston Parish Assessor
Summary Schedule of Prior Year Audit Findings
For the year ended December 31, 2014**

Compliance

No compliance findings.

Internal Control

No internal control findings.

Management

No management findings.

**Livingston Parish Assessor
Corrective Action Plan for Current Year Audit Findings
For the year ended December 31, 2014**

Compliance

No compliance findings.

Internal Control

No internal control findings.

Management

No management findings.

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Jessica H. Jones, CPA
Brandy Westcott Garcia, CPA
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Jeffrey G. Taylor, CLA
Livingston Parish Assessor
Livingston, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Livingston Parish Assessor, Livingston, Louisiana, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Livingston Parish Assessor's basic financial statements and have issued our report thereon June 25, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Livingston Parish Assessor's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Livingston Parish Assessor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Livingston Parish Assessor's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, we did not identify any deficiencies in internal

BRUCE HARRELL AND CO., CPAs
CERTIFIED PUBLIC ACCOUNTANTS
A professional accounting corporation

To the Honorable Jeffrey G. Taylor, CLA
Livingston Parish Assessor
Page 2

control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Livingston Parish Assessor's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Bruce Harrell & Co." with a stylized flourish at the end.

Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

Kentwood, Louisiana
June 25, 2015